

Message Text

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21

ACTION ARA-10

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INFO ALL US CONSULATES IN MEXICO VIA POUCH

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E. O. 11652: N/A

TAGS: PFOR MX EGEN

SUBJECT: JLP PRESS CONFERENCE IN WASHINGTON

1. FULL TEXT OF LOPEZ PORTILLO PRESS CONFERENCE WAS CARRIED
IN MEXICAN PRESS SEPT 26. HIGHLIGHTS GIVEN BELOW; TEXT BEING
POUCHED TO ARA/MEX.

2. ECONOMIC FINANCIAL QUESTIONS

A) Q. SOME ECONOMISTS BELIEVE A THOROUGH FISCAL REFORM
MUST ACCOMPANY THE PESO FLOAT. DO YOU AGREE?

A. I DEFINITELY BELIEVE THAT ONE OF THE COMPLEMENTARY
MEASURES...IS TO RESTRUCTURE AN INCOMES POLICY TO (ENCOURAGE)
INTERNAL SAVINGS AND TO DEPEND LESS ON (FOREIGN BORROWING).
TTHIS MUST INCLUDE A POLICY FOR PRICES, FOR GOODS AND SERVICES
PROVIDED BY THE STATE, AND AN AUTHENTIC FISCAL REFORM.

B) WOULD IT BE CORRECT TO INFER THAT YOUR PROGRAM (OF
FISCAL REFORM) WOULD MEAN A GREAT AUSTERITY?

A. A GREAT DISCIPLINE IN PUBLIC EXPENDITURES, BASED ON THE
ESTABLISHMENT OF A STRICT (SYSTEM), OF PRIORITY. THIS CAN BE
UNDERSTOOD AS AUSTERITY, DISCIPLINE, AND PRIORITIES.

C) Q. HOW WILL THE PESO FLOAT AFFECT US INVESTMENT IN MEXICO?

A. FOREIGN INVESTMENT OF COURSE WILL BE AFFECTED BY THE
RESTRUCTURING OF THE ECONOMY WHICH WILL BE POSSIBLE TO ESTABLISH AFTER
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THE DEVALUATION. THE DEVALUTAIION BROKE A TABOO OF LONG STANDING WHICH HAD CONVERTED A MEANS,...INTO AN END...NOW THAT THIS LIMITATION IS BROKEN, THE MEXICAN ECONOMY CAN BE RESTRUCTURED ON SOUNDER FOUNDATIONS, AND, AS A RESULT, FOREIGN INVESTMENT WILL BE INFLUENCED BY THE COURSE OF THE ECONOMY, EXPORTS WILL BE FACILITATED, TOURISM, AND RELATIONS WILL BE NORMALIZED.

D) Q. WHAT CAN YOU TELL US ABOUT THE COMMERCIAL DEFICIT WITH THE UNITED STATES AND WHAT WILL YOU DO TO SOLVE THIS PROBLEM?

A. THIS COMMERCIAL DEFICIT IS A PART OF THE DISEQUILIBRIUM IN OUR TRADE RELATIONSHIP, AND IT CONSTITUTES FOR MEXICO THE MOST BASIC PROBLEM WITH THE UNITED STATES. THIS QUESTION HAS BEEN RAISED IN ALL PERTINENT FORUMS, AND IT HAS BEEN RECEIVED WITH INTEREST BY THOSE WHO HAVE THE RESPONSIBILITY FOR TRADE MATTERS IN THE (UNITED STATES). WE ARE LOOKING FOR WAYS TO SOLVE THE PROBLEM. WE HAVE TOLD (US OFFICIALS)

THAT WHEN ONE PLAYER GETS ALL THE CHIPS, THE GAME IS OVER.

E). Q. WHAT IS THE ATTITUDE OF THE US INDUSTRIALISTS WITH WHOM YOU MET REGARDING INVESTMENT IN MEXICO? IS THIS ANY DETERIORATION IN INVESTOR CONFIDENCE?

A. NO. I NOTED NO DETERIORATION; JUST THE OPPOSITE. I REALIZED THAT, FORTUNATELY, THEY NOW UNDERSTAND THE RULES OF THE GAME WHICH MEXICO HAS ESTABLISHED... MEXICO NEEDS CAPITAL, MEXICO NEEDS MARKETS, MEXICO NEEDS TECHNOLOGY TO DO GOOD BUSINESS WITH GOOD BUSINESS PARTNERS, TRANSCENDING THE ERA WHEN WE RECEIVED ANY KIND OF INVESTMENT, EVEN THOUGH IT MIGHT NOT HAVE FAVORED OUR INTERESTS...THIS (ATTITUDE OF OURS) HAS BEEN UNDERSTOOD IN OUR CONVERSATIONS, AND THEY WERE EXPRESSING THE INTENTION OF INVESTING IN MEXICO WITH RESPECT

FOR OUR LAWS AND FOR OUR DEVELOPMENT. I BELIEVE THERE ARE MANY THINGS WHICH CAN BE DONE ON THIS BASIS AND WITH THIS SPIRIT.

F). Q. DURING YOUR CAMPAIGN YOU EMPHASIZED PRODUCTIVITY. HOW DO YOU PLAN TO CONFRONT THIS PROBLEM, WITH WHAT MEASURES?

A. YOU'LL HAVE TO WAIT UNTIL THE FIRST OF DECEMBER TO HEAR THE MESSAGE I'LL GIVE THE NATION, WHICH WILL GIVE THE PRECISE OBJECTIVES AND MEANS OF THE ALLIANCE FOR PRODUCTION, ONE OF THE BASIC ASEPECTS OF OUR PROGRAM. I CAN TELL YOU THAT THE PROGRAM WILL HAVE TWO FUNDAMENTAL PRIORITIES: TO GUARANTEE (SUFFICIENT) FOOD AND ENERGY PRODUCTION, WHICH MEANS REORGANIZING THE AGRICULTURAL LIMITED OFFICIAL USE

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SECTOR AND LAYING THE BASES FOR INDUSTIRALIZATION.

3. RELATIONS WITH SPAIN:

"WE FORESEE THE RENEWAL OF RELATIONS WITH SPAIN, AS SOON AS THE CONDITIONS,---WHICH WE SEE VERY PROPITIOUS- ARE ESTABLISHED, BECAUSE RELATIONS ARE WANTED BY THE PEOPLE OF MEXICO.

4. ON MEXICO'S ROLE IN THE WORLD COMMUNITY:

JLP REITERATED THE BASES OF MEXICAN FOREIGN POLICY (NON-INTERFERENCE IN INTERNAL AFFAIRS OF OTHER COUNTRIES, PEACEFUL SETTLEMENT OF DISPUTES, SELF-DETERMINATION, JURIDICAL EQUALITY OF NATIONS) AND CHARACTERIZED THE ECHEVERRIA ADMINISTRATION AS ONE WHICH HAD CHANGED THE GOM POSTURE IN THE INTERNATIONAL COMMUNITY FROM A PASSIVE TO AN

ACTIVE ONE. HE REFERRED TO MEXICO AS LATIN AMERICA'S POINT OF CONTACT WITH THE UNITED STATES, AND TO MEXICO AS A COUNTRY WHICH HAD FORMED ITS OWN POLITICAL SYSTEM TO HAVE SOCIAL JUSTICE WITHOUT SACRIFICING CIVIL LIBERTY.

5. ON ZIONISM IS RACISM RESOLUTION:

"I AM GOING TO GIVE THIS SUBJECT CAREFUL STUDY. I HAVE SPOKEN AT LENGTH WITH THE US JEWISH COMMUNITY, AND AT THE APPROPRIATE TIME I WILL EXPRESS MY POINT OF VIEW. I WILL ASSUME MY POLITICAL RESPONSIBILITY THE FIRST OF DECEMBER, BUT I CAN AFFIRM (NOW) THAT I

DON'T BELIEVE EXPULSION FROM FORUMS OF THE VERY PARTIES WHOSE CONTROVERSIES OUGHT TO BE RESOLVED WITHIN THOSE FORUMS IS A CORRECT POLICY... I BELIEVE IN THE PRINCIPLES OF PEACEFUL SOLUTION OF CONTROVERSIES AND I WILL ALWAYS SUPPORT THIS (POINT OF VIEW)."

6. COMMENT: OUR IMPRESSION FROM THE TEXT IS THAT JLP HANDLED HIMSELF ABLY. ON SUBSTANTIVE MATTERS, HE SUGGESTED THAT THE CONTROL OF PUBLIC SPENDING WILL BE A PRIMARY OBJECTIVE OF HIS ADMINISTRATION AND HE LEFT OPEN THE POSSIBILITY THAT HIS ADMINISTRATION MIGHT BACK AWAY FROM THE ZIONISM IS RACISM RESOLUTION.
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